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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Annual Local and Flexible Procurement Obligations for the 2019 and 2020 Compliance Years.

Rulemaking 17-09-020

AMENDED SCOPING MEMO AND RULING OF ASSIGNED COMMISSIONER

Summary

This Amended Scoping Memo and Ruling clarifies the scope of issues to be addressed in Track 3 and sets forth the Track 3 schedule for the proceeding.

1. Background

The Order Instituting Rulemaking (OIR), issued on October 17, 2017, and the initial Scoping Memo, issued on January 18, 2018, summarized the procedural and substantive background of this proceeding. The initial Scoping Memo divided this proceeding into three tracks and set forth in greater detail the topics in scope for Tracks 1 and 2. As noted in the initial Scoping Memo, further modifications and refinements to the Commission's Resource Adequacy (RA) program may be considered in Track 3 of this proceeding.

Decision (D.) 18-06-030 addressed certain issues identified as Track 1 and D.18-06-031 adopted the Flexible Capacity Requirements. Read together, these two decisions addressed the following: the adoption of the 2019 Local Capacity Requirements and Flexible Capacity Requirements, the requirement for

Load-Serving Entities (LSEs) to participate in the year-ahead RA process in order to serve load, a directive that Ormond Beach and Ellwood be contracted by Southern California Edison with costs allocated to all customers through the Cost Allocation Mechanism (CAM), adoption of a process for considering adjustments to the RA measurement hours, the qualification of combined storage and demand response resources for RA credit, and the adoption of a framework for a multi-year local RA requirement with a central buyer.

On November 21, 2018, a proposed decision was issued that addressed certain issues identified in either Tracks 1 or 2. The proposed decision is currently pending before the Commission. The scope of issues to be addressed in Track 3 may be supplemented depending on the final Track 2 decision and therefore, this Scoping Memo may be modified to incorporate additional issues.

In this Scoping Memo, we clarify the remaining scope of issues and schedule for Track 3, other than issues related to the multi-year and central buyer local RA program, which will be addressed separately. Issues related to refinements to Effective Load Carrying Capacity (ELCC), as well as the schedule for comments, will also be addressed in a separate ruling.

2. Scope of Issues

This Track 3 Scoping Memo considers the issues previously scoped but not addressed in Tracks 1 and 2, and issues raised in party proposals in Tracks 1 and 2 that were not addressed or rejected, other than issues related to the multi-year and central buyer local RA program. Accordingly, the issues in scope for Track 3 are as follows:

1. Adoption of the 2020 Local Capacity Requirements (LCR).
The CAISO's annual draft LCR study will be submitted to the Commission on approximately

April 4, 2019 and the final LCR study will be submitted on approximately May 1, 2019. Parties will have the opportunity to comment on the draft and final LCR studies. The schedule anticipates that the Commission will issue a decision by the end of June 2019 so that LSEs have sufficient time to obtain the resources to meet local RA procurement requirements for 2020.

2. Adoption of the 2020 Flexible Capacity Requirements (FCR). The CAISO's draft FCR study will be submitted to the Commission on approximately April 4, 2019 and the final FCR study will be submitted on approximately May 1, 2019, at which time parties will have the opportunity to comment. The schedule anticipates that the Commission will issue a decision by the end of June 2019 so that jurisdictional LSEs have sufficient time to obtain the resources to meet their Flexible RA procurement requirements for 2020.
3. Adoption of the 2020 System RA Requirements. The Commission has imposed a system requirement based on the California Energy Commission (CEC) 1-in-2 monthly load forecast, plus a 15% planning reserve margin. This framework is expected to continue for the 2020 RA program year.
4. Further Refinements to the Resource Adequacy Program.
 - a. Revisions to the load forecast methodology;
 - b. Consideration of how storage and combined resources should be counted for RA credit; and
 - c. Refinements to the third-party demand response qualifying capacity methodology.
5. Consideration of other modifications and refinements to the RA program as identified in proposals by Energy Division or by parties.

3. Schedule

The below schedule is established for Track 3, subject to modification by the assigned Commissioner or Administrative Law Judges (ALJs). LCR and FCR issues are shown in a separate table for clarity but will be addressed with other Track 3 issues.

Track 3 Calendar - Excluding LCR and FCR Issues

Event	Date
Track 3 proposals filed	February 25, 2019
Workshop on Energy Division and party proposals	March 12-13, 2019
Comments on the workshop and on all proposals filed	March 22, 2019
Reply comments on the workshop and all proposals filed	March 29, 2019
Proposed Decision on Track 3	May 2019
Final Decision on Track 3	June 2019

Track 3 Calendar – LCR and FCR Issues

Event	Date*
CAISO files draft 2020 LCR and FCR Reports	April 4, 2019
Comments on draft 2020 LCR and FCR Reports	April 18, 2019
CAISO files final 2020 LCR and FCR Reports	May 1, 2019
Comments on final 2020 LCR and FCR Reports filed	May 8, 2019
Reply Comments on 2020 LCR and FCR Reports filed	May 14, 2019

*Dates in this table are subject to change dependent upon CAISO processes.

The assigned Commissioner or assigned ALJs may modify this schedule as necessary to promote the efficient and fair resolution of this proceeding. If there are any workshops in this proceeding, notice of such workshops will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

4. Categorization and *Ex Parte* Communications

In the OIR and initial Scoping Memo, this proceeding was categorized as ratesetting. This proceeding remains categorized as ratesetting.

In a ratesetting proceeding, *ex-parte* communications with the assigned Commissioner, other Commissioners, their advisors and the ALJs are only permitted as described in Public Utilities (Pub. Util.) Code § 1701.3(h) and Article 8 of the Commission's Rules of Practice and Procedure (Rules).

5. Need for Hearing

In the OIR, the Commission preliminary determined that hearings are required and the initial Scoping Memo confirmed that determination. However, hearings were deemed not necessary in Tracks 1 and 2. Hearings remain an option in Track 3 at the discretion of the Assigned Commissioner and the ALJs.

6. Assigned Commissioner and Presiding Officers

Liane M. Randolph is the assigned Commissioner and Peter V. Allen and Debbie Chiv are the ALJs. Pursuant to Pub. Util. Code § 1701.3(b) and Rule 13.2(b), ALJ Peter V. Allen and ALJ Debbie Chiv are designated as the Presiding Officers.

7. Filing, Service and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is correct, and serve notice of any errors on the Commission's Process office, the service list, and the ALJs. Persons may become a party pursuant to Rule 1.4. When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

The proceeding will follow the electronic service protocols set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail whenever possible, transmitted no later than 5:00 p.m. on the date scheduled for service to occur. Rule 1.10 requires service on the ALJs of both an electronic and a paper copy of filed and served documents. In this proceeding, parties are directed to serve documents to the assigned ALJs and assigned Commissioner in electronic format only. Parties are directed not to serve a paper copy on the assigned ALJs or on the Assigned Commissioner. This is a modification to Rule 1.10.

The Commission now has a system for the electronic submission of supporting documents, such as testimony and workpapers, that are not formally filed.

8. Discovery

Discovery may be conducted by the parties consistent with Article 10 of the Commission's Rules. Any party issuing or responding to a discovery request shall serve a copy of the request or response simultaneously on all parties. Electronic service under Rule 1.10 is sufficient, except Rule 1.10(e) does not apply to the service of discovery and discovery shall not be served on the ALJs. Deadlines for responses may be determined by the parties. Motions to compel or limit discovery shall comply with Rule 11.3.

9. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public

Advisor at 866-849-8390 or 415-703-2074 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

10. Settlement and Alternative Dispute Resolution

While the schedule does not include specific dates for settlement conferences, it does not preclude parties from meeting at other times provided notice is given consistent with the Commission's Rules. The Commission offers Alternative Dispute Resolution (ADR) services consisting of mediation, facilitation, or early neutral evaluation. Use of ADR services is voluntary, confidential, and at no cost to the parties. Trained ALJs serve as neutrals. The parties are encouraged to visit the Commission's ADR webpage at <http://www.cpus.ca.gov/adr/>, for more information.

If requested, the assigned ALJs will refer this proceeding, or a portion of it, to the Commission's ADR Coordinator. Alternatively, the parties may contact the ADR Coordinator directly at adr_program@cpuc.ca.gov. The parties will be notified as soon as a neutral has been assigned; thereafter, the neutral will contact the parties to make pertinent scheduling and process arrangements. Alternatively, and at their own expense, the parties may agree to use outside ADR services.

IT IS RULED that:

1. The category of this proceeding remains ratesetting.
2. The scope of issues for this proceeding is as stated in "Section 2. Scope of Issues" of this ruling.
3. The schedule for this proceeding is as set forth in "Section 3. Schedule" of this ruling. The assigned Commissioner or Administrative Law Judges may

adjust the schedule as necessary for efficient management and fair resolution of this proceeding.

4. Evidentiary hearings are an option at the discretion of the assigned Commissioner and the Administrative Law Judges.

5. The presiding officers are Administrative Law Judges Peter V. Allen and Debbie Chiv.

6. With limited exceptions that are subject to reporting requirements, *ex-parte* communications are prohibited.

Dated January 29, 2019, at San Francisco, California.

/s/ LIANE M. RANDOLPH

Liane M. Randolph
Assigned Commissioner